

Mayor Willie W. Herenton's 2003 Budget Address

Tuesday, April 16, 2002 (3:30 p.m.)
City Council Chambers

Good afternoon, Chairman Peete, other members of the City Council, and City of Memphis residents.

Before moving on to the City's Budget Address, I would first like to thank this legislative body for working very closely with this administration as a team. In some communities the legislative branch and the executive branch fight. We do not fight. We get along so well that you all do not even notice it.

Our administration has demonstrated what it is like with the legislative and executive branch working together as a team on behalf of the citizens. I want all the council members to know that the Mayor respects your role and appreciates how well we have worked together.

Since this time last year, Memphis and this nation have experienced some very devastating times. In light of the terrorist attacks that took place on September 11th in New York and Washington, D.C. it is very difficult for us to say that this has been a good year. This tragic event shook our nation.

The event had a dramatic affect on our country financially and the City of Memphis was not immune from that. By the end of September, due largely to a troubled economy and the U.S. economy lapsing into recession, we projected about a \$12 million shortfall in budgeted revenues. However, we have reduced that shortfall by \$???? million due to the collection of property taxes. We have made some tough decisions to manage with the resources that we have.

I need to point out here that despite the obstacles and financial challenges we faced, the City will have no property tax increases next year and we will not dip into our \$60 million reserve fund balance. We are diversified economically and have been able to progress even in these difficult national circumstances.

For the first time in history, the capital income of Memphians exceeds the national average. We have had four consecutive years of prosperity that have been banner years for capital investments, numerous employment opportunities, new companies moving into Memphis, again increasing the market for viable employment. Many existing companies in Memphis are expanding. This city has been blessed with economic prosperity this last decade.

Fiscally, this city is in a stronger position than it was when I came into office 10 years ago. I am proud of that, very proud. And based on feedback from the Memphis community, the citizens of this great city are pleased with the services that we provide.

The 10th annual Memphis Poll found that 82 percent of citizens feel positive about the City's services and its public policies. And, overall, 78 percent of the citizens had no intention of moving from the City in the next two years – this is a 4 percent improvement over the 2001 Memphis Poll. Citizens of this great City are making Memphis their City of Choice.

The Poll found that police crime protection, public schools and fire protection were the most important City services. Overall, citizens felt that crime was less of a concern in their neighborhood.

The Memphis Poll also found that citizens were increasingly more satisfied with the neatness of the sanitation crews when emptying the citizens' garbage carts. There was a 9 percent improvement in neatness over the last two years of the Memphis Poll.

The Fire Division, three Parks Division programs, the overall rating of the public libraries, the Public Works Division's sanitation promptness and the Health Department's providing vital records were the highest rated service areas in the City.

On the other hand, citizens identified some services for which they were concerned. The lowest rated service areas were the Parks Division's swimming pools, the Health Department's controlling mosquitoes and Public Works Division's major street maintenance. In addition, services related to neighborhoods and to contacting City officials were seen as mediocre. **(Corrective Actions)**

Fires Services

Which may make the number 25,801 all the more important. That's how many people visited the Fire Museum of Memphis, 118 Adams, in 2001.

"So many museums concentrate on warehousing old equipment, but our main emphasis is on fire safety and prevention,"

Completed construction of three fire stations.

Police/Safety

A new Central Precinct police station is under construction on Tillman on the East Side of Binghamton.

Constructed two pedestrian bridges to enhance safety for elementary school students:

- Castalia pedestrian bridge for Magnolia Elementary
- Lisa Avenue Bridge for Hawkins Mill Elementary

Public Services

Coordination with Center City Commission for funding of streetscape project -- \$5 million.

Park Services

Elsewhere, the city Division of Park Services will continue to bring neighborhood parks throughout the city up to date with new play equipment, fitness trails and other improvements.

South Memphis may also see Pine Hill Golf Course's \$3.7 million renovation begin in the fall.

Parks in the Whitehaven and Southwest Memphis area are also scheduled for renovations this year.

They include carving park space from a forest at the 27-year-old Dalstrom Park at the southwest corner of Weaver and Shelby Drive; installing playground equipment and a fitness trail at Weaver Park, 730 Mitchell; and expanding the playground at Whitehaven Park, 4318 Graceland.

The city's plans for the \$7.1 million redevelopment of the old Whitehaven Country Club at Holmes and Tulane into a community center, park and nine-hole golf course will continue with construction possibly beginning in 2003.

- The Bert Ferguson and Hickory Hill community centers are on schedule to open in a couple of weeks. They represent the two largest centers ever constructed by the City of Memphis at a cost of \$15 million.
- Construction on the Orange Mound Community Service Center has begun???. The projected completion is scheduled for next spring.

Memphis Poll results on Zoo

In Midtown, Memphis Zoo officials hope the big news of 2002 will be giant pandas.

The zoo has been negotiating with the Chinese government since 1999 for a 10-year loan of two giant pandas. The zoo is aiming for a spring opening of its \$12.5 million China exhibit, which would also house other animals native to China.

Main Library

The old main library on Peabody is scheduled to be demolished and replaced by a single-family housing development of up to 29 homes called Peabody Green.

Before the council approved money last year to tear down the main library, some members insisted that library officials report back on Midtown services after the main library closing. One concern was that children would have no place to go after school.

A new Central Precinct police station is under construction on Tillman on the East Side of Binghamton.

COMPLETED CONSTRUCTION OF THE NEW \$52 million MAIN LIBRARY

Housing/Neighborhoods

Public Housing Re-Development Funding – loan support A.A./HAD to undertake broad redevelopment plan. \$50M to \$70M ????????????????

Along the northern edge of downtown, the Memphis Housing Authority will move ahead with a \$200 million urban redevelopment project called Uptown Memphis. A mixed-income apartment community is slated to be among the first improvements.

The Midtown Corridor West redevelopment of former Interstate 40 right of way in the Evergreen historic district will move into its final stages with construction of a 20-house development on Willett called Evergreen Place.

With the Sam Cooper Boulevard extension through Binghamton completed, development is expected to begin on a Midtown Corridor East redevelopment.

The Sam Cooper extension, with six traffic lanes and bridges over Scott Street and the railroad tracks, will connect with East Parkway, providing a more convenient east-west route for motorists traveling between mid-city and the eastern suburbs.

The economic redevelopment of [Whitehaven](#) will also continue, with tangible signs that include release of a retail study by the end of next month (February 2002), a new International House of Pancakes at Shelby Drive and Elvis Presley and a community newsletter.

Major developments in [Orange Mound](#) include construction of the Commons at Brentwood, an 80-unit gated apartment complex for low-income, elderly and disabled residents.

The apartments should be complete by late fall, said Roshun Austin Wilson, executive director of the Orange Mound Development Corp., a partner in the project.

Wilson looks forward to 2002 bringing more homeowners into the area as well as esthetic and economic improvements in the Park Avenue commercial corridor.

College Park, [a socially and economically mixed housing development](#), will include 411 units comprised of 261 family rental units, 70 single-family homeownership units (30 of which will be located in the surrounding community) and 80 units for senior residents.

But the first public housing developments likely to be renovated are Fowler Homes and Oates Manor, downtown-area complexes that are now largely vacant.

Lipscomb said he is optimistic local governing bodies will support the idea. "This is not a cost to the community, but an investment," he said.

Renovating public housing will create jobs, provide better living conditions, add taxpayers to the rolls and "what you can't measure is what it will do to people's lives. I tell you I have never been so excited about anything in my life."

Hamilton said the federal government's decision to designate Memphis as a "renewal community" made staying in North Memphis a more attractive proposition.

Under the new federal program, about 4,800 businesses in 48 of the city's poorest census tracts will be able to qualify for a variety of tax credits.

City officials have estimated local businesses could get \$300 million worth of credits over the eight-year life of the program.

The credits are geared toward convincing businesses like Triple H to remain and even expand their operations in lower-income neighborhoods. It is also hoped the incentives will help attract new businesses to those areas.

This push to reconfigure government housing has had a profound impact on downtown Memphis. Some say the push to revitalize downtown has led to the displacement of thousands of poor Memphians. Others say the push to find better housing for the poor has led to the revitalization of downtown.

MHA executive director Robert Lipscomb says the closed properties were "unfit for human habitation." Even the poor deserve a decent and safe place to live, he said, noting the trend is to "deconcentrate" large masses of poor tenants and to provide the low-income residents the chance to rent better housing in better neighborhoods.

The decentralization of public housing has encouraged private developers to rebuild inner-city areas around the country. In Memphis, the city has hired developers who, armed with government and private funds, are transforming former public housing sites into new, "mixed-income" developments.

THE PROCESS of creating a better environment for public housing residents in Memphis will encounter difficulties along the way, but the social and economic benefits of such improvement could be significant. It's important that the city maintain the course it has set on public housing - trading large, densely concentrated projects for mixed public and private developments that include owner-occupants and renters.

Uptown Memphis will build on a similar public-private development in South Memphis that is smaller in scale but no less important to that area. The new College Park development is set to open next month on 40 acres where the historic LeMoyne Gardens originally stood. The project's

developers have replaced 842 units of public housing on the site near LeMoyne-Owen College with 411 apartments and homes for tenants and owners of varying income levels.

College Park and Uptown Memphis are part of the overall reshaping of public housing in Memphis - an effort that will have to survive inevitable controversies and setbacks. But considering the potential payoff, the effort deserves the support of government officials, neighborhood activists and other Memphians.

The key to long-lasting progress lies in projects such as Uptown Memphis, which aim to produce better socioeconomic integration in housing.

Soulsville

Many area skeptics are already seeing the manifestation of the ambitious \$20 million Soulsville Inc. project with the rising of the Stax Museum of American Soul Music and Music Academy at College and McLemore.

The academy should be complete by the summer, and the museum should be open for visitors by late fall, said Soulsville's president and executive director, Deanie Parker.

And anyone who has recently been in the LeMoyne-Owen College area has also seen the development of neighboring projects - transformation of the LeMoyne Gardens public housing development into the mixed-income College Park apartments and LeMoyne-Owen College Community Development Corp.'s sale of the first new home from its Build-A-Block program.

Jeffrey Higgs, the LeMoyne-Owen agency's executive director, said Build-A-Block should be completed by April with 10 new and renovated homes along College near the museum.

City planners are also working to transform McLemore Avenue with commercial redevelopment and street beautification by the end of the year.

Higgs said the museum and College Park projects have excited business owners and others to be a part of the redevelopment.

Uptown

the start of a long-awaited overhaul of the Uptown area north of downtown and continuation of the medical center trolley extension, with all its attendant aggravation for motorists on Madison Avenue.

Board members also complimented Lipscomb on his handling of the "bumps" involved in the Uptown Memphis project, a massive redevelopment program that involves the transformation of 6 square miles of blighted North Memphis.

Schools

The City has continued its educational support efforts with a commitment up to \$174 million. \$150 million has already been paid. In addition to those dollars, we have committed to City Schools for a \$50 million loan from our Commercial Paper program.

On the west side, school officials will continue property acquisition efforts for a new Binghamton elementary school at Collins and Sam Cooper.

Minority Participation

Letter sent to directors increasing usage
Arena bond investors (46%)

In order for Memphis to continue to grow and prosper, the new majority, which is African-American, must share to a greater extent in the economic progress of the community. African Americans being a part of the economic growth and development of Memphis is a win-win for everyone.

Increased minority participation and contracts for goods and services is a must. This administration encourages corporations in Memphis and Shelby County to do business with African Americans and small businesses because in order for our economy to grow it must include all groups.

Memphis cannot be a thriving city if a majority of its citizens are economically disenfranchised. We have to increase business opportunities and per capita income among African Americans. The city has a great role in

preserving access to contracts, so minority businesses can grow and prosper,
as well as access to employment.